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DE RUEHSO #0207 0541927
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P 231927Z FEB 06
FM AMCONSUL SAO PAULO
TO RUEHC/SECSTATE WASHDC PRIORITY 4564
INFO RUEHBR/AMEMBASSY BRASILIA 5716
RUEHMN/AMEMBASSY MONTEVIDEO 1821
RHEHNSC/NSC WASHDC
RUCPDOG/USDOC WASHDC 2286
RUEHBU/AMEMBASSY BUENOS AIRES 2049
RUEHSG/AMEMBASSY SANTIAGO 1566
RUEHLP/AMEMBASSY LA PAZ 2589
RUEHRG/AMCONSUL RECIFE 2719
RUEHRI/AMCONSUL RIO DE JANEIRO 6844
RUEHAC/AMEMBASSY ASUNCION 2404

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DEPT FOR WHA/BSC AND EB/TPP/IPE
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TAGS: [KIPR](#) [ETRD](#) [KJUS](#) [BR](#)

SUBJECT: Destruction of Pirated Software in Sao Paulo

Reftel: 05 Sao Paulo 901

11. (U) On 21 February 2006, the Business Software Alliance (BSA) sponsored the destruction of more than 500,000 pirated software discs outside Sao Paulo's Pacaembu Stadium. The contraband was displayed publicly and then ceremoniously destroyed by feeding discs into a wood chipper. This event highlighted anti-piracy achievements by the software industry in Brazil. 2005 was a record year for anti-piracy seizures, raids, and prosecutions. According to BSA, software piracy has decreased from 90 percent to 76 percent over the last ten years. By BSA estimates, 26,000 jobs would be created if software piracy were to continue to decrease by 10 percent a decade over the next 20 years. Federal Deputy Luiz Antonio de Medeiros (PL), leader of a recent special congressional committee that investigated piracy, gave a rousing speech denouncing the ills of software piracy, its ties to organized crime, and its destruction of legitimate jobs. In his speech, Deputy Medeiros called for increased piracy penalties and reform in the anti-piracy legislation. CG and Econoffs attended the event. Media presence included TV and newspaper coverage.

12. (SBU) COMMENT. While, 2005 was a year of successes for Brazil in terms of anti-piracy enforcement (including increases in frontier interdictions and the termination of the USTR GSP review), much remains to be done on the consumer-side of the equation. The decrease in software piracy from 90 percent to 76 percent is mostly due to BSA efforts in the corporate sector. Software piracy in the public/consumer sector still remains above 90 percent. Moreover, public attitudes regarding piracy are slow to change. Recent studies conducted by Brazilian polling company IBOPE show that the purchase of pirated goods is habitual across all social classes, with 33 percent of the public admitting to purchasing pirated goods. The same IBOPE studies show high public awareness (75 percent) of the harms of piracy (organized crime, tax evasion, etc.). Moreover, 75 percent of those polled agreed that piracy directly harms Brazil, inasmuch as it decreases tax revenue and therefore GoB spending on education, health, etc.

13. (SBU) A recent joint study by the Brazil-U.S. Business Council and Warner Brothers Consumer Products shows that piracy deprives the GOB of USD 14.5 billion per year in uncollected taxes. 56 percent of those IBOPE polled felt that trademarked/copyrighted goods are

too highly priced and that trademark/copyright owners are too rich to feel the effects of pirated sales. 65 percent felt justified in purchasing illegal goods because "pirated industries help generate jobs in poor countries, while genuine industries only created jobs in rich countries." While government enforcement efforts and corporate campaigns were the successes of 2005, much remains to be done in 2006 in the area of public/consumer education to change prevalent attitudes regarding piracy. We feel public events like this BSA-sponsored software destruction and last August's Association for the Protection of Phonographic Copyrights (APDIF)-sponsored destruction of over one million pirated CDs and DVDs (reftel) help raise public awareness and reduce sympathy for pirated goods. END COMMENT.

14. (U) This cable was coordinated with AmEmbassy Brasilia.

McMullen